

# **710H - DHS - Division of County Operations**

## **Interim Progress Report for the reporting period July 1, 2003 - December 31, 2003**

### **Section I. Agency Update and Assessment**

#### **1. Emerging Issues at the Federal (National) or State level affecting the agency.**

The Temporary Assistance to Needy Families (TANF) is operating under a continuing resolution by Congress. It is expected that discussions will resume in February 2004. The proposed elimination of the Work Participation Caseload Reduction Credit could significantly impact Arkansas. National focus will be on the Work Participation Rate. Failure to meet the TANF work requirements could result in the loss of federal TANF funds, financial penalties and increased requirements for state financial participation. The division will need to allocate additional resources, by shifting resources from the Food Stamp and Medicaid programs, to attain these new standards. The agency is exploring ways to streamline and improve the service delivery system in an attempt to limit any negative impacts on timeliness and quality as we shift resources between programs.

#### **2. Status of any new initiatives funded from General Revenue or General Improvement funds in the 2003 Legislative Sessions and other changes made through General Legislation.**

1) The Division received \$1 million in additional SGR to comply with Arkansas' Maintenance of Effort (MOE) requirement in the TANF Program (TEA). In order to draw federal block grant funds of \$56.7 million for the TANF program, the State must meet an MOE requirement of \$22.2 million in GR. Arkansas has been projecting a shortfall of up to \$2 million in meeting the state's MOE obligation. We have been using some one-time funds to fill this funding gap, but these dollars will be expended at the end of this fiscal year. 2) The State is awaiting federal approval of a new Medicaid program that allows college students to continue their benefits received through ARKids (Act 552 of 2003).

#### **3. Discuss significant factors internal and external to the agency affecting agency performance.**

Medicaid cases are increasing by an average of 3,000 per month and Food Stamp cases are increasing by an average of 1,000 per month. Due to decreased funding, the Division must leave 123 positions vacant to accumulate salary savings. As a result, DCO is looking at ways to improve the current service delivery system. With statewide implementation of the new automated ANSWER (Welfare Eligibility and Reporting) System, an applicant will not have to complete separate applications for services. In addition, reporting requirements in the Food Stamp program have been changed from quarterly to semi-annual. The State is also monitoring the impact of TANF Reauthorization.

#### **4. Provide comments on the usefulness and reliability of performance measures.**

In some cases, the measurements are based on performance improvements. The level of improvement will not be known until the end of the state fiscal year. As a result, the interim numbers for these measures are confusing to the reader. One of the measures is reported as "N/A" because the program will not begin until next quarter. The majority of the measures being reported are based on reliable data and accurately reflect the agency's level of performance. As we gain experience with these measures and data sources, it may be necessary to adjust the performance indicators or the target levels.

#### **5. Discuss significant uses of line item flexibility in this report period (agencies operating under Performance-Based Appropriations only).**

**Program 1: Administration**

**Goal 1:** To provide administrative direction and support to ensure compliance with State and Federal laws and regulations

**Objective 1:** To manage the central office administrative support offices resulting in the fullest and most appropriate utilization of available resources

Measure

<u>Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>Actual YTD</u>	<u>Comments</u>
1	Number of Prior Year Audit Findings Repeated in Subsequent Audit	3	1	We contend the QA unit is organizationally separate from operations
2	Number of Waiver Submissions	+1	+7	All were Food Stamp waivers.
3	Non-Compliance Determinations without Good Cause Justification	None	1	Corrective Compliance Plan Submitted to ACF
4	Percent of Agency Staff and Budget in the Administrative Program Compared to Total Agency Positions and Budget	15/50%	10.56% Staff 11.61% Budget	
5	Percent of Agency Performance Measures Met	90%	85%	

**Comments on performance matters related to Objective 1:**

There were four measures that the Agency has not yet met. The Agency failed to meet the federal two-parent Work Participation Rate. A Corrective Compliance Plan has been approved by the Administration for Children and Families (ACF). Two measures dealing with the timeliness of processing applications are being impacted by the increase in the number of applicants for the Food Stamp and Medicaid programs as well as the number of vacant positions that were created due to budget reductions. The last measure not expected to be met is an increase in the number of homes weatherized. This is being impacted by a reduction in federal funding and an increase in the cost of weatherizing homes, thereby reducing the total funds available for this program.

**Program 1: Administration**

**Goal 1:** To provide administrative direction and support to ensure compliance with State and Federal laws and regulations

**Objective 2:** To maximize information technology resources for client services, data collection, and reporting

<u>Measure Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>Actual YTD</u>	<u>Comments</u>
1	Information Systems Costs as a Proportion of Total Adjusted Budget	≤1%	0.33%	
2	Number of Agency Proprietary Systems Maintained by Agency Staff or Maintained through Contractual Services	8	8	

**Comments on performance matters related to Objective 2:**

The Agency implemented ANSWER, an integrated case management system, statewide in September, 2003. We are currently working on phasing in two stand alone systems, Navigator and the Job Retention Data Base. It is anticipated that 100% of all required data fields for determining the state's Work Participation Rate (instead of a manually collected sample of data) will begin in October 2004.

**Program 2: Economic and Medical Enrollment**

**Goal 1:** To deliver economic and medical services through a single access site in each county of the state

**Objective 1:** To manage the application processing and case management functions for programs administered by the Division of County Operations through geographically located access points

## Measure

<u>Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>Actual YTD</u>	<u>Comments</u>
1	Food Stamp Application Processing Timeliness Rate	96%	93.40%	6 month average of All Application Types from pages 15 & 16 of COORs (7/03-12/03)
2	TEA Programs Timeliness Rate	93%	97.76%	6 month average from RS 608 Report (7/03-12/03)
3	Food Stamp Eligibility Determination Accuracy Rate - Active Cases	93%	95.97%	Used most current QA Data from FFY 03 Report Period
4	Food Stamp Eligibility Determination Accuracy Rate - Closed / Active Cases	93%	96.40%	Used most current QA Data from FFY 03 Report Period
5	Food Stamp Caseload	+2%	+6.33%	127,231 cases in 6/03 compared to 12/03
6	Increase Medicaid Enrollment Rates	+2%	+4.25%	545,080 recipients 6/03 compared
7	Reduce the Number of Pending Medicaid Applications	-1%	+5.22%	June Medicaid Pending (17,149) compared to 12/03 pending on RS 0618
8	Timeliness of Application Processing	90%	90.67%	6 month averages for FS, Med and TEA

**Comments on performance matters related to Objective 1:**

During the first six months of SFY 04, there has been a continuing increase in Food Stamp and Medicaid applications. This, along with having to maintain 100 field vacancies due to budget reductions, has been a contributing factor in not meeting the target for Measures One and Seven.

**Program 2:** Economic and Medical Enrollment

**Goal 2:** To provide greater access to medical care for low-income adults, pregnant women, the aged and the disabled

**Objective 1:** To increase the number of eligible uninsured Arkansans who receive Medicaid assistance

Measure Number	Performance Indicators	Annual Target	Actual YTD	Comments
1	Increase Enrollment Rates for Tobacco Settlement Categories	+12%	+16%	Increase from June 2003 to December 2003 in PW cumulative total plus ARSeniors mo. caseload

**Comments on performance matters related to Objective 1:**

**Program 3:** Food Security and Nutrition

**Goal 1:** To reduce food insecurity by providing eligible clients with access to food

**Objective 1:** To utilize surplus USDA commodities to supplement low-income food programs in Arkansas

Measure <u>Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>Actual YTD</u>	<u>Comments</u>
1	Proportion of Donated Foods Utilized	99%	100%	

**Comments on performance matters related to Objective 1:**

**Program 3:** Food Security and Nutrition

**Goal 1:** To reduce food insecurity by providing eligible clients with access to food

**Objective 2:** To assist low-income families and individuals with emergency food products during times of hunger or crisis

Measure

<u>Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>Actual YTD</u>	<u>Comments</u>
1	Proportion of Donated Foods Utilized	99%	35%	

**Comments on performance matters related to Objective 2:**

The year to date performance is dependent on distributions made by food banks and Community Action Agencies. This is a cumulative target and the agency is on track to meet the 99% goal by year end.

**Program 3: Food Security and Nutrition**

**Goal 2:** To reduce the dependence of low-income individuals on the Food Stamp Program through gainful employment

**Objective 1:** To assist Food Stamp recipients in finding employment and reducing the need for assistance.

Measure

<u>Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>Actual YTD</u>	<u>Comments</u>
1	E&T Participation Rate	+5%	+26%	% assigned to E&T component

**Comments on performance matters related to Objective 1:**

This represents the increase in the participation rate from July-December 2002 period to the July-December 2003 period. The participation rate is based on the percentage of persons referred to Education and Training (E&T) who are assessed. It should be noted that when this program was first implemented in 2002, there were three counties participating as pilots for the program. The program has been expanded to 21 counties.



**Program 4:** Transitional Employment Assistance (TEA)

**Goal 1:** To end the dependence of needy parents on government benefits by promoting job preparation, work and marriage

**Objective 1:** To provide up to twenty-four months of cash assistance benefits while the client works to become self-sufficient

Measure

<u>Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>Actual YTD</u>	<u>Comments</u>
1	Authorized Benefits Accessible thru EBT System	99%	99.95%	

**Comments on performance matters related to Objective 1:**

The percentage of TEA cases that had a delay in access to authorized benefits on the EBT system due to an error in transmission (case "errored-off") was .05% in December 2003.

**Program 4:** Transitional Employment Assistance (TEA)

**Goal 1:** To end the dependence of needy parents on government benefits by promoting job preparation, work and marriage

**Objective 2:** To assist eligible parents to become employed, keep jobs that pay above minimum wage and to encourage the formation and maintenance of two-parent families through marriage

## Measure

<u>Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>Actual YTD</u>	<u>Comments</u>
1	TEA Work Participation Rate (To be adjusted to reflect changes in the federal law resulting from TANF reauthorization)	25%	31.21%	
2	TEA Allowable Work Activities (To be adjusted to reflect changes in the federal law resulting from TANF reauthorization)	52%	81.55%	

**Comments on performance matters related to Objective 2:**

Performance data for these two measures are currently derived from data reported in a stand alone system by local county offices. The agency is working on an enhancement to ANSWER, an integrated case management system, that will retrieve data from information keyed into the system. This information will then be transmitted to the federal oversight agency to calculate a Work Participation Rate and should eliminate the difference in the two numbers. At this point, the "State Calculated Rate" may differ from the "Federal Sample Rate" by 5% - 10%.

**Program 4:** Transitional Employment Assistance (TEA)

**Goal 1:** To end the dependence of needy parents on government benefits by promoting job preparation, work and marriage

**Objective 3:** To provide TEA clients with opportunities and incentives for long-term asset building

Measure <u>Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>Actual YTD</u>	<u>Comments</u>
1	IDA Program Participation	97%	48%	On schedule to achieve target

**Comments on performance matters related to Objective 3:**

**Program 5: Community Services**

**Goal 1:** To provide low-income persons with quality shelter.

**Objective 1:** To increase the number of eligible Arkansans who receive energy efficient shelter assistance

<u>Measure Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>Actual YTD</u>	<u>Comments</u>
1	Percent of Shelter Plus Care Participants receiving medical services	99%	100%	
2	Percent of Weatherized Homes with Improved RK Factors	+1%	47%	Number of home weatherized
3	Percentage of Filled Beds in Homeless Shelters	+1%	+2.40%	
4	LIHEAP Applications – Number of Days Pending	-5%	N/A	Program to start 1/13/04

**Comments on performance matters related to Objective 1:**

Measure #2 - The weatherization of homes is slightly behind schedule due to production cost increases. Target is time-specific and cannot be measured until year end. The State has weatherized 47% of the number of homes weatherized last year.

**Program 5: Community Services**

**Goal 2:** To maximize funding opportunities for Community Service programs designed to assist low-income individuals to become self-sufficient

**Objective 1:** To increase the number of eligible Arkansans who receive community based assistance

<u>Measure Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>Actual YTD</u>	<u>Comments</u>
1	Increase CSBG Program Participation	+2%	35%	On track to meet by end of SFY
2	Percent of Eligible Clients Participating in the Refugee Resettlement Program	95%	N/A	The State does not have a way to determine the number of "eligible" refugees for the denominator

**Comments on performance matters related to Objective 1:**

Measure #1 - Target is time-specific and cannot be measured until year end. Information based on progress from one quarter.